Resorting to Overdrafts by Tripura Government

216. SHRI NARAYAN KAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Tripura Government had to resort to overdrafts in 1988-89; and

(b) if so, the grounds on which such overdrafts had to be resorted to from the Reserve Bank ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Yes, Sir.

(b) Overdrafts arose in the second half of the year mainly on account of the imbalances between flow of receipts and pace of expenditure.

Sick Jute Mill in Tripura

217. SHRI NARAYAN KAR: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that the existing jute mill in Tripura is sick and needs immediate financial assistance from the Central Government; and

(b) if so, what amount of financial assistance the Central Government propose to give immediately ?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (KUMARI SAROJ KHAPARDE) : (a) and (b) Tripura Jute Mill is sick as per definition of the Sick Industrial Companies (Special Provisions) Act, 1985. Central Government is aware of the adverse financial position of the mill and it constituted a multi-disciplinary team to study the viability of the mill. While considering the report of this team it was noted that in case the mill was to be kept in operation the existing term loans of the Institution/Banks would need to be liquidated through outside funds. It was decided that the company would take up the matter appropriately with the State Government and would submit a specific proposal to Central Government. The State Government have not, however, come up with any proposal to the Central Government in this regard.

Audit of the Peerless General Finance and Investment Company

218. PROF. C. LAKSHMANNA : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has some time back carried out a special scrutiny and audit of the activities of the Peerless General Finance and Investment Company;

(b) whether the scrutiny was simultaneously conducted in Bombay, Calcutta, Delhi and Madras and if so, what were the reasons therefor; and

(c) what are the results of the scrutiny ?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) to (c) Reserve Bank of India (RBI) has reported that it has carried out an inspection of M/s Peerless General Finance and Investment Company Ltd. under section 45N of the Reserve Bank of India Act, 1934 at the Head Office of the Peerless General Finance and Investment Company at Calcutta. Four Regional Offices of the company located at Calcutta, Bombay, New Delhi and Madras and a few branches were also inspected. RBI has also reported that it has